

Notice of Annual General Meeting

Notice is hereby given that the Twenty Fourth Annual General Meeting (AGM) of the Members of DIVI'S LABORATORIES LIMITED will be held **on Monday the 25th day of August 2014 at 10.00 A.M.** at KLN Prasad Auditorium, FAPCCI Premises, 11-6-841, Red Hills, Hyderabad - 500 004 to transact the following business :

ORDINARY BUSINESS :

1. To consider and adopt the audited Balance Sheet as at 31st March 2014, the Statement of Profit and Loss for the year ended 31st March 2014 along with the reports of Directors and the Auditors thereon.
2. To declare dividend for the financial year 2013 - 2014.
3. To appoint a Director in place of Mr. Kiran S. Divi (DIN: 00006503), who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint M/s. P.V.R.K. Nageswara Rao & Co., Chartered Accountants, Hyderabad (Firm's Regn. No. 002283S) as Auditors of the Company who shall hold office from the conclusion of this AGM for three consecutive years until the conclusion of the 27th AGM of the Company and to fix their remuneration and to pass the following resolution :

"RESOLVED THAT pursuant to the provisions of sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and Rules made there under and pursuant to the recommendations of the Audit Committee of the Board, M/s. P.V.R.K. Nageswara Rao & Co., Chartered Accountants, Hyderabad (Firm's Regn. No. 002283S), be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this AGM, for three consecutive years until the conclusion of the 27th AGM of the Company, subject to ratification of appointment by the members at every AGM held after this AGM, on such remuneration as may be agreed upon by the Board of Directors and the Auditors, in addition to reimbursement of all out of- pocket expenses and such remuneration may be paid on progressive billing basis to be agreed upon between the Auditors and Board of Directors ."

SPECIAL BUSINESS :

5. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION** :

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri. K.V.K. Seshavataram (DIN: 00060874), who was appointed as an Additional Director of the company by the Board of Directors with effect from June 23, 2014 and who holds office up to the date of this Annual General Meeting, in terms of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to June 22, 2019, not liable to retire by rotation."

6. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

"RESOLVED THAT pursuant to the provisions of Sections 149, 151 and 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Smt. S. Sridevi (DIN: 06879138), who was appointed as an Additional Director of the company by the Board of Directors with effect from June 23, 2014 and who holds office up to the date of this Annual General Meeting, in terms of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Small Shareholder Director of the Company to hold office for a term of three consecutive years up to June 22, 2017, not liable to retire by rotation."

7. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Dr. G. Suresh Kumar (DIN: 00183128), Director of the Company who under the provisions of the Companies Act, 1956 was liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to 31st March, 2019, not liable to retire by rotation.”

8. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION** :

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Shri. R. Ranga Rao (DIN: 06409742), who under the provisions of the Companies Act, 1956 was liable to retire by rotation and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company to hold office for a term of five consecutive years up to 31st March, 2019, not liable to retire by rotation.”

9. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION** :

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Dr. Murali K. Divi (DIN: 00005040), as Chairman and Managing Director of the company for a further period of 5 (five) years with effect from 10th October, 2014 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Dr. Murali K. Divi, subject to the same not exceeding the limits specified under Section 197 read with Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

10. To consider and if thought fit, to pass with or without modification, the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Shri. N.V. Ramana (DIN: 00005031), as Executive Director of the company for a further period of 5 (five) years with effect from 26th December, 2014 on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board” which term shall be deemed to include Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Shri. N. V. Ramana, subject to the same not exceeding the limits specified under Section 197 read with Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof.

RESOLVED FURTHER THAT the Board be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

11. To consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

For and on behalf of the Board of Directors

Hyderabad
23rd June 2014

Dr. Murali K. Divi
Chairman & Managing Director

Registered Office:
7-1-77/E/1/303, Divi Towers,
Dharam Karan Road,
Ameerpet, Hyderabad - 500 016.
CIN: L24110TG1990PLC011854
e-mail: mail@divislaboratories.com

NOTES :

1. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
2. *A member entitled to attend and vote at the meeting, is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the company. The instrument appointing proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.*
A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Pursuant to Clause 49 of the Listing Agreement, additional information on directors seeking appointment / re-appointment at the annual general meeting is provided in the Annual Report.
4. Members / proxies are requested to bring the attendance slips duly filled in for attending the meeting and bring their copies of the Annual Report to the meeting.
5. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
6. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the meeting.
7. Closure of register of Members and Dividend :
(a) The Company has notified that Register of Members and Transfer Books will be closed from 4th August, 2014 to 8th August, 2014 (both days inclusive) for determining the names of the Members eligible for dividend, if approved, on equity shares. In respect of shares held in Electronic form, the dividend will be paid on the basis of particulars of beneficial ownership furnished by the Depositories for this purpose.

- (b) The dividend on equity shares, as recommended by the Board of Directors, if declared at the Annual General Meeting, will be paid to those shareholders whose name appears in Register of Members as on 2nd August, 2014.
- (c) Members may please note that the Dividend Warrants are payable at par at the designated branches of the Bank printed on reverse of the Dividend Warrant for an initial period of 3 months only. Thereafter, the Dividend Warrant on revalidation is payable only at limited centers / branches. The members are, therefore, advised to encash Dividend Warrants within the initial validity period.

8. Bank particulars :

In order to provide protection against fraudulent encashment of the warrant, shareholders holding shares in physical form are requested to intimate the Company under the signature of sole / first joint holder, the following information to be incorporated on the Dividend Warrants :

(i) Name of the Sole / First joint holder and the Folio Number.

(ii) Particulars of Bank account, viz.,

- Name of the Bank
- Name of the Branch
- Complete address of the Bank with Pin Code Number
- Account type, whether Savings (SB) or Current account (CA)
- Bank Account Number allotted by the Bank

9. Shareholders holding shares in electronic form may kindly note that their Bank account details as furnished by their Depositories to the Company will be printed on their Dividend Warrants as per the applicable regulations of the Depositories and the Company will not entertain any direct request from such shareholders for deletion of / change in such Bank details. Further, instructions, if any, already given by them in respect of shares held in physical form will not be automatically applicable to shares held in the electronic mode. **Shareholders are requested to intimate immediately any change in their address or bank mandates to their depository participants with whom they are maintaining their demat accounts or to the company's share transfer agent, M/s Karvy Computershare Private Limited, if the shares are held in physical form.**
10. Non-Resident Indian Shareholders are requested to inform the registrars, M/s. Karvy Computershare Private Limited immediately :
- a) the change in the Residential status on return to India for permanent settlement.
 - b) the particulars of the Bank Account maintained in India with complete name, branch, account type, account number and address of the Bank, if not furnished earlier.
11. Corporate Members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representatives to attend and vote at the Annual General Meeting.
12. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. Shareholders desirous of making nominations are requested to send their requests to the Registrar and Share Transfer Agent M/s. Karvy Computershare Private Limited.
13. M/s. Karvy Computershare Private Limited, Plot No 17-24, Vittal Rao Nagar, Madhapur, Hyderabad – 500 081 acts as the Company's Registrar and Share Transfer Agent for physical transfer of shares and all correspondence may be addressed directly to them. In respect of shares held in Electronic form, shareholders may send requests or correspond through their respective Depository Participants.
14. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Registrar.
15. Pursuant to the provisions of Section 205A(5) and 205C of the Companies Act, 1956, the Company has transferred the unpaid or unclaimed interim dividend for the Financial year 2006-07, on due date, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Unclaimed dividend for the year(s) 2007-08, 2008-09, 2009-10 2010-11, 2011-12 and 2012-13 are held in separate Bank accounts and shareholders who have not received the dividend / encashed the warrants are advised to write to the Company with complete details.

16. The annual report for the financial year 2013-14 has been sent through email to those members who have opted to receive electronic communication or who have registered their email addresses with the Company/depository participants. The annual report is also available on our website, i.e. www.divislaboratories.com. The physical copy of the annual report has been sent to those members who have either opted for the same or have not registered their email addresses with the Company/depository participant. The members will be entitled to a physical copy of the annual report for the financial year 2013-14 upon sending a request to the Company.

Members who would like to receive all communication including Annual Report, Notices, Circulars, etc. from the Company in electronic mode in lieu of physical copy (in order to save usage of paper) and who have not registered their e-mail addresses so far or who would like to update their e-mail addresses already registered, are requested to register/update their e-mail addresses :

- in respect of electronic shareholding - through their respective Depository Participants;
- in respect of physical shareholding - by sending a request to the Company's Share Transfer Agent, mentioning therein their folio number and e-mail address.

17. All documents referred to in the accompanying Notice and Explanatory Statement are open for inspection at the Registered Office of the Company between 11:00 a.m. to 1:00 p.m. on all working days except Saturdays till the date of AGM

18. e-voting :

In compliance with Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules 2014 and Clause 35B of the Listing Agreement Divi's Laboratories Limited ("the Company") is pleased to provide to the shareholders the facility to exercise their right to vote at the AGM by electronic means and the business may be transacted through e-voting services provided by M/s.Karvy Computershare Private Limited. Members may exercise their vote at any general meeting by electronic means and the Company may adopt any resolution by way of the electronic voting system.

Process for e-voting :

The Company has arrangements with its Registrars, M/s.Karvy Computershare Private Limited ('Karvy') for facilitating e-voting to enable the Shareholders to cast their vote electronically.

A. Members who received the notice through e-mail from Karvy :

1. Launch internet browser by typing the following URL: <http://evoting.karvy.com>.
2. Enter the login credentials (i.e., User ID and password mentioned in your email/AGM Notice). Your Folio No./ DP ID-Client ID will be your User ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.

User Id :	For Members holding shares in Demat form:
	a. For NSDL: 8 character DP ID followed by 8 digit Client ID
	b. For CDSL: 16 digit Beneficiary ID/Client ID
	For Members holding shares in Physical form:
	Event No.(EVENT) followed by Folio No. registered with the Company.
Password	Your unique password is printed on the AGM Notice/provided in the email forwarding the electronic notice.

3. After entering these details appropriately, Click on "LOGIN".
4. You will now reach password Change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID, etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

5. After changing password, you need to login again with the new credentials.
6. On successful login, the system will prompt you to select the "EVENT" i.e. Divi's Laboratories Limited.
7. On the voting page, enter the number of shares (which represents the number of votes) as on the cut-off date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially in "AGAINST" but the total number in "FOR/AGAINST" taken together should not exceed your total shareholding. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
8. You may then cast your vote by selecting an appropriate option and click on "Submit", a confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you confirm, you will not be allowed to modify your vote. During the voting period, Members can login any numbers of times till they have voted on the Resolution.
9. Corporate/Institutional Members (i.e., other than Individuals, HUF, NRI, etc.) are additionally required to send scanned certified true copy (PDF Format) of the Board Resolution/Authority Letter, etc. together with attested specimen signature(s) of the duly authorized representative(s), to the Scrutinizer at email ID: bhaskaraoandco@gmail.com, with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "Corporate Name_EVENT NO."

B. In case of Members receiving AGM Notice by Post :

1. Please use the User ID and initial password as provided in the AGM Notice Form.
2. Please follow all steps from Sr.No. 1 to 9 as mentioned in (A) above, to cast your vote.

C. The e-voting period commences on 19th August, 2014 at 9.00 A.M. and ends on 21st August, 2014 at 5.00 P.M. In case of any query pertaining to e-voting, please visit Help & FAQ's section of Karvy e-voting website.

19. Once the vote on a resolution is cast by a Member, the Member shall not be allowed to change it subsequently. Further, the Members who have cast their vote electronically shall not be allowed to vote again at the Meeting.
20. The Board of Directors of the Company at their meeting held on 23rd June, 2014 has appointed Mr. V Bhaskara Rao, Practising Company Secretary, as Scrutinizer for conducting the e-voting process in accordance with law. The Scrutinizer's decision on the validity of e-voting shall be final.
21. The Scrutinizer shall, within a period of three working days from the date of conclusion of the e-voting period, unblock the votes in the presence of at least two witnesses not in the employment of the Company and make a scrutinizer's report of the votes cast in favour or against, if any, and submit to the Chairman.
22. The result of voting will be announced by the Chairman of the AGM at or after the AGM to be held on 25th August, 2014 and the resolutions will be deemed to be passed on the AGM date subject to receipt of the requisite number of votes in favour of the Resolutions.
23. The result of the voting along with Scrutinizers' Report will be communicated to the stock exchanges and will also be hosted on the website of the Company www.divislaboratories.com and on Karvy's website (<https://evoting.karvy.com>) within two (2) days of passing of resolutions.
24. The voting rights for the shares are one vote per equity share, registered in the name of the shareholders/beneficial owners as on 25th July, 2014. Members holding shares either in physical form or dematerialized form may cast their vote electronically.

EXPLANATORY STATEMENT

(Pursuant to Section 102 (1) of the Companies Act, 2013)

Item No. 5

The Board of Directors of the Company appointed, Shri K.V.K. Seshavataram as an Additional Director of the Company with effect from June 23, 2014, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company.

In terms of the provisions of Section 161(1) of the Act, Shri K.V.K. Seshavataram will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri K.V.K. Seshavataram for the office of Independent Director of the Company.

Shri Seshavataram is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director.

The Company has received a declaration from Shri K.V.K. Seshavataram that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The resolution seeks the approval of members for the appointment of Shri K.V.K. Seshavataram as an Independent Director of the company up to June 22, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made there under. He is not liable to retire by rotation.

In the opinion of the Board, Shri K.V.K. Seshavataram fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Shri K.V.K. Seshavataram is independent of the management.

Brief resume of Shri K.V.K. Seshavataram, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letter for appointment of Shri K.V.K. Seshavataram as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except Shri K.V.K. Seshavataram, to whom the resolution relates, are in any way, concerned or interested, financially or otherwise, in the resolution

The Board recommends the Ordinary Resolution set forth in Item No. 5 for approval of the shareholders.

Item No. 6

The Board of Directors of the Company appointed, Smt. S. Sridevi as an Additional Director of the Company with effect from June 23, 2014, pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company.

In terms of the provisions of Section 161(1) of the Act, Smt. S. Sridevi will hold office up to the date of the ensuing Annual General Meeting. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Smt. S. Sridevi for the office of Independent Director of the Company.

Smt. Sridevi is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given her consent to act as a Director.

As per the provisions of Section 151 of the Companies Act, 2013, listed companies may have a director representing "small shareholders" i.e., who hold shares of nominal value of not more than twenty thousand rupees. The Board may consider the appointment suo moto as provided in the Companies Act, 2013. Smt. S. Sridevi has given her consent for the nomination.

The Company has received a declaration from Smt. S. Sridevi that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The resolution seeks the approval of members for the appointment of Smt. S. Sridevi as an Independent Director of the company representing small shareholders up to June 22, 2017 pursuant to Section 149, 151 and other applicable provisions of the Companies Act, 2013 and Rules made there under. She is not liable to retire by rotation.

In the opinion of the Board, Smt. S. Sridevi fulfills the conditions for her appointment as an Independent Director representing small shareholders as specified in the Act and the Listing Agreement. Smt. S. Sridevi is independent of the management.

Brief resume of Smt. S. Sridevi, nature of her expertise and names of companies in which she holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Copy of the draft letter for appointment of Smt. S. Sridevi as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except Smt. S. Sridevi, to whom the resolution relates, are in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution set forth in Item No. 6 for approval of the shareholders.

Item No. 7

Dr. G. Suresh Kumar is a Non-Executive Independent Director of the Company. He joined the Board in March, 2001.

Dr. G. Suresh Kumar is a director who was liable to retire by rotation under the erstwhile applicable provisions of the Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Dr. G. Suresh Kumar being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term upto 31st March, 2019. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri. Dr. G. Suresh Kumar for the office of Independent Director of the Company.

Dr. Suresh Kumar is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Dr. G. Suresh Kumar that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The resolution seeks the approval of members for the appointment of Dr. G. Suresh Kumar as an Independent Director of the company up to March 31, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made there under. He is not liable to retire by rotation.

In the opinion of the Board, Dr. G. Suresh Kumar fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Dr. G. Suresh Kumar is independent of the management.

Brief resume of Dr. G. Suresh Kumar, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Dr. G. Suresh Kumar as an Independent Director.

Copy of the draft letter for appointment of Dr. G. Suresh Kumar as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except Dr. G. Suresh Kumar, to whom the resolution relates, are in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution set forth in Item No. 7 for approval of the shareholders.

Item No. 8

Shri R. Ranga Rao is a Non-Executive Independent Director of the Company. He joined the Board in November, 2012.

Shri Ranga Rao is a director who was liable to retire by rotation under the erstwhile applicable provisions of Companies Act, 1956. In terms of Section 149 and other applicable provisions of the Companies Act 2013, Shri. R. Ranga Rao being eligible and offering himself for appointment, is proposed to be appointed as an Independent Director for five consecutive years for a term up to 31st March, 2019. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Shri. R. Ranga Rao for the office of Independent Director of the Company.

Shri Ranga Rao is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as a Director. The Company has received a declaration from Shri. R. Ranga Rao that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement.

The resolution seeks the approval of members for the appointment of Shri. R. Ranga Rao as an Independent Director of the company up to March 31, 2019 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and Rules made there under. He is not liable to retire by rotation.

In the opinion of the Board, Shri R. Ranga Rao fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Shri. R. Ranga Rao is independent of the management.

Brief resume of Shri R. Ranga Rao, nature of his expertise in specific functional areas and names of companies in which he holds directorships and memberships/ chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

The Board considers that his continued association would be of immense benefit to the Company and it is desirable to continue to avail services of Shri R. Ranga Rao as an Independent Director.

Copy of the draft letter for appointment of Shri R. Ranga Rao as an Independent Director setting out the terms and conditions is available for inspection by members at the Registered Office of the Company.

This Statement may also be regarded as a disclosure under Clause 49 of the Listing Agreement with the Stock Exchanges.

None of the Directors or Key Managerial Personnel of the Company and / or their relatives except Shri R. Ranga Rao, to whom the resolution relates, are in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution set forth in Item No. 8 for approval of the shareholders.

Item No. 9

The Board of Directors of the Company (the 'Board'), at its meeting held on June 23, 2014 has, subject to the approval of members, re-appointed Dr. Murali K. Divi as Chairman and Managing Director, for a further period of 5 (five) years from the expiry of his present term, which expires on October 9, 2014, at the remuneration recommended by the Nomination and Remuneration Committee and approved by the Board.

It is proposed to seek the members' approval for the re-appointment of and payment of remuneration to Dr. Murali K. Divi as Chairman and Managing Director in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

Broad particulars of the terms of remuneration payable to Dr. Murali K. Divi are as under :

Salary, perquisites and other allowances :

- a) Salary of Rs. 7,50,000/- per month.

- b) In addition to the aforesaid salary, he shall be entitled to following Perquisites and allowances :
- i) Rent free furnished accommodation or house rent allowance in lieu thereof
 - ii) Re-imburement of expenses for gas, electricity and water
 - iii) Re-imburement of medical expenses
 - iv) Personal accident insurance premium and premium on medi-claim policy
 - v) Leave travel concession for self and his family including dependents
 - vi) Re-imburement of actual Club fees
 - vii) Company's contribution towards pension scheme or superannuation fund together with provident fund not exceeding 25% of the salary wherein contribution towards provident fund shall not exceed 12% of the salary.
 - viii) Gratuity payable as per the Rules of the Company/ Trust
 - ix) Use of company car for official purposes and telephone at residence (including payment for local calls and long distance official calls)
 - x) Encashment of un-availed leave as per the rules of the company
 - xi) All other payments in the nature of perquisites and allowances agreed by the Board of Directors from time to time

However the aggregate monetary value of the perquisites in any year shall not exceed 40% of his annual salary.

Perquisites shall be evaluated as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and allowances shall be evaluated at actual cost. However, contribution towards pension scheme, superannuation fund, provident fund, gratuity fund, use of company car for official purposes and telephone at residence and encashment of un-availed leave at the end of the year shall not be included in the aforesaid perquisites limit.

Commission

He shall be entitled to commission @ 3% on the net profits of the company computed in the manner laid down in section 197 (8) of the Companies Act, 2013 in addition to salary, perquisites / benefits as mentioned above.

Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Director, the Company does not have profits or its profits are inadequate, the company will pay remuneration by way of salary, perquisites and allowances, commission not exceeding the maximum limits as prescribed under Section II, Part II of Schedule V to the Act as amended from time to time as minimum remuneration to Dr. Murali K Divi.

Aggregate remuneration

The aggregate of remuneration, commission and perquisites/benefits including contribution towards provident fund, superannuation fund, gratuity fund, payable to Dr. Murali K Divi, Chairman & Managing Director, individually or to all whole time directors of the Company taken together, shall not exceed during any financial year 5% / 10% of profits of the Company calculated in accordance with the provisions of Sections 198 of the Companies Act, 2013.

Dr. Murali K. Divi satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Directors in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Dr. Murali K. Divi under Section 190 of the Act.

Brief resume of Dr. Murali K. Divi, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships amongst directors *inter-se* as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Dr. Murali K. Divi is interested in the resolution set out at Item No. 9 of the Notice, as the same relates to his re-appointment and remuneration payable to him. Mr. Madhusudana Rao Divi and Mr Kiran S Divi being related to Dr Murali K. Divi are deemed to be interested in the resolution.

The relatives of Dr. Murali K. Divi may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution set forth in Item No. 9 for approval of the shareholders.

Item No. 10

The Board of Directors of the Company (the 'Board'), at its meeting held on June 23, 2014 has, subject to the approval of members, re-appointed Shri N. V. Ramana as Executive Director, for a further period of 5 (five) years from the expiry of his present term, which expires on December 25, 2014, at the remuneration recommended by the Nomination and Remuneration Committee and approved by the Board.

It is proposed to seek the members' approval for the re-appointment of and remuneration payable to appointed Shri N. V. Ramana as Executive Director in terms of Sections 196 and 197 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

Broad particulars of the terms of remuneration payable to Shri N. V. Ramana are as under :

Salary, perquisites and other allowances :

- a) Salary of Rs. 7,00,000/- per month.
- b) In addition to the aforesaid salary, he shall be entitled to following Perquisites and allowances :
 - i) Rent free furnished accommodation or house rent allowance in lieu thereof
 - ii) Re-imbursment of expenses for gas, electricity and water
 - iii) Re-imbursment of medical expenses
 - iv) Personal accident insurance premium and premium on medi-claim policy
 - v) Leave travel concession for self and his family including dependents
 - vi) Re-imbursment of actual Club fees
 - vii) Employees Stock Options and other benefits and allowances as per rules of the company
 - viii) Company's contribution towards pension scheme or superannuation fund together with provident fund not exceeding 25% of the salary wherein contribution towards provident fund shall not exceed 12% of the salary
 - ix) Gratuity payable as per the Rules of the Company/ Trust
 - x) Use of company car for official purposes and telephone at residence (including payment for local calls and long distance official calls)
 - xi) Encashment of un-availed leave as per the rules of the company
 - xii) All other payments in the nature of perquisites and allowances agreed by the Board of Directors from time to time

However the aggregate monetary value of the perquisites in any year shall not exceed 40% of his annual salary.

Perquisites shall be evaluated as per the provisions of Income Tax Act, 1961 or any rules thereunder or any statutory modification(s) or re-enactment thereof; in the absence of any such rules, perquisites and

allowances shall be evaluated at actual cost. However, employees Stock Options, contribution towards pension scheme, superannuation fund, provident fund, gratuity fund, use of company car for official purposes and telephone at residence and encashment of un-availed leave at the end of the year shall not be included in the aforesaid perquisites limit.

Commission

He shall be entitled to commission @ 1.5% on the net profits of the company computed in the manner laid down in section 197 (8) of the Companies Act, 2013 in addition to salary, perquisites / benefits as mentioned above.

Minimum Remuneration

Notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of the Director, the Company does not have profits or its profits are inadequate, the company will pay remuneration by way of salary, perquisites and allowances, commission not exceeding the maximum limits as prescribed under Section II, Part II of Schedule V to the Act as amended from time to time as minimum remuneration to Shri N. V. Ramana.

Aggregate remuneration

The aggregate of remuneration, commission and perquisites / benefits including Employee Stock Options, contribution towards provident fund, superannuation fund, gratuity fund, payable to Shri N. V. Ramana, Executive Director, individually or to all whole time directors of the Company taken together, shall not exceed during any financial year 5% / 10% of profits of the Company calculated in accordance with the provisions of Sections 198 of the Companies Act, 2013.

Shri N. V. Ramana satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under sub-section (3) of Section 196 of the Act for being eligible for his re-appointment. He is not disqualified from being appointed as Directors in terms of Section 164 of the Act.

The above may be treated as a written memorandum setting out the terms of re-appointment of Shri N. V. Ramana under Section 190 of the Act.

Brief resume of Shri N. V. Ramana, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships amongst directors *inter-se* as stipulated under Clause 49 of Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

Shri N. V. Ramana is interested in the resolution set out at Item No. 10 of the Notice, as the same relates to his re-appointment and remuneration payable to him.

The relatives of Shri N. V. Ramana may be deemed to be interested in the resolution to the extent of their shareholding interest, if any, in the Company.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the resolution.

The Board recommends the Ordinary Resolution set forth in Item No. 10 for approval of the shareholders.

Item No. 11

The existing Articles of Association ("AoA") are based on the Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 and some regulations in the existing AoA are no longer in conformity with the recently enacted Companies Act, 2013 (the "Act").

The Act is now largely in force. On September 12, 2013, the Ministry of Corporate Affairs ("MCA") had notified 98 Sections for implementation. Subsequently, on March 26, 2014, MCA notified most of the remaining Sections (barring those provisions which require sanction / confirmation of the National Company Law Tribunal ("Tribunal") such as variation of rights of holders of different classes of shares (Section 48), reduction of share capital (Section 66), compromises, arrangements and amalgamations (Chapter XV), prevention of oppression and mismanagement (Chapter XVI), revival and rehabilitation of sick companies (Chapter XIX), winding up (Chapter XX) and certain other provisions including, *inter alia*, relating to Investor Education and Protection Fund (Section 125) and valuation by registered valuers (Section 247). However, substantive sections of the Act which deal with the general working of companies stand notified.

With the Act coming into force, several regulations of the existing AoA of the Company require alteration or deletions. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares.

The proposed new draft AoA is available on the Company's website www.divislaboratories.com for perusal by the shareholders.

None of the Directors / Key Managerial Personnel of the Company / their relatives are in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 11 of the Notice.

The Board recommends the Special Resolution set forth in Item No. 11 for approval of the shareholders.

For and on behalf of the Board of Directors

Hyderabad
23rd June 2014

Dr. Murali K. Divi
Chairman & Managing Director

Registered Office:
7-1-77/E/1/303, Divi Towers,
Dharam Karan Road,
Ameerpet, Hyderabad - 500 016.
CIN: L24110TG1990PLC011854
e-mail: mail@divislaboratories.com



Divi's Laboratories Limited

CIN : L24110TG1990PLC011854

7-1-77/E/1/303, Divi Towers, Dharam Karan Road, Ameerpet, Hyderabad - 500 016.

Tel. : +91 40 2378 6300; Fax : +91 40 2378 6460

E-mail : mail@divislaboratories.com URL : www.divislaboratories.com

Share Transfer Agent : Karvy Computershare Private Limited, Plot No. 17-24, Vittal Rao Nagar,
Madhapur, Hyderabad - 500 081.

ATTENDANCE SLIP

I/We hereby record my/our presence at the 24th Annual General Meeting of the Company held at KLN Prasad Auditorium, FAPCCI Premises, 11-6-841, Red Hills, Hyderabad - 500 004 at 10.00 A.M. on Monday the 25th August, 2014

Name and Address of the Shareholder(s)		
If Shareholder(s), please sign here	If Proxy, please mention name and sign here	
	Name of Proxy	Signature

Notes :

- (1) Shareholder / Proxyholder, as the case may be, is requested to produce the attendance slip duly at the entrance of the Meeting venue.
- (2) Members are requested to advise the change of their address, if any, to Karvy Computer Share Pvt. Ltd. at the above address.

BLANK



Divi's Laboratories Limited

CIN : L24110TG1990PLC011854

7-1-77/E/1/303, Divi Towers, Dharam Karan Road, Ameerpet, Hyderabad - 500 016.

Tel. : +91 40 2378 6300; Fax : +91 40 2378 6460

E-mail : mail@divislaboratories.com URL : www.divislaboratories.com

Share Transfer Agent : Karvy Computershare Private Limited, Plot No. 17-24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081.

PROXY FORM

(Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014)

Name of the Member(s)

Registered address :

E-mail id :

Folio No./Client ID :

DP ID :

I/We, being the member(s) of.....shares of the above named Company, hereby appoint

1. Name.....

Address.....

E-mail id.....Signature....., or failing him

2. Name.....

Address.....

E-mail id.....Signature....., or failing him

3. Name.....

Address.....

E-mail id.....Signature.....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 24th Annual General Meeting of the Company be held at KLN Prasad Auditorium, FAPCCI Premises, 11-6-841, Red Hills, Hyderabad - 500 004 at 10.00 A.M. on Monday the 25th August, 2014 and at any adjournment thereof in respect of such resolutions as are indicated below :

** I/We wish my above proxy(ies) to vote in the manner as indicated in the box below :

Resolutions	For	Against	Abstain
1. Consider and adopt Audited Financial Statement, Reports of the Board of Directors and Auditors			
2. Declaration of Dividend on Equity Shares			
3. Re-appointment of Mr. Kiran S. Divi who retires by rotation			
4. Appointment of Auditors and fixing their remuneration			
5. Appointment of Mr. K.V.K. Seshavataram as an Independent Director			
6. Appointment of Mrs. S. Sridevi as an Independent Director			

Resolutions	For	Against	Abstain
7. Appointment of Dr. G. Suresh Kumar as an Independent Director			
8. Appointment of Mr. R. Ranga Rao as an Independent Director			
9. Re-appointment of Dr. Murali K. Divi as Chairman and Managing Director			
10. Re-appointment of Mr. N.V. Ramana as Executive Director			
11. Adoption of new Articles of Association of the Company			

Affix
a revenue
Stamp

Signed this.....day of.....2014.

Signature of shareholder

Signature of first proxy holder

Signature of second proxy holder

Signature of third proxy holder

**This is only optional. Please put a '✓' in the appropriate column against the resolutions indicated in the Box. Alternatively, you may mention the number of shares in the appropriate column in respect of which you would like your proxy to vote. If you leave all the columns blank against any or all the resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

Note :

- This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.**
- A proxy need not be a member of the Company.
- In case the appointer is a body corporate, the proxy form should be signed under its seal or be signed by an officer or an attorney duly authorized by it and an authenticated copy of such authorisation should be attached to the proxy form.
- A person can act as proxy on behalf of such number of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a member holding more than ten percent, of the total share capital of the company carrying voting rights, may appoint a single person as proxy and such person shall not act as proxy for any other person or Member.
- Appointing a proxy does not prevent a member from attending the meeting in person if he so wishes.
- In case of joint holders, the signature of any one holder will be sufficient, but names of all the joint holders should be stated.